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RAILROAD FACTS

1987 EDITION

CLASS I RAILROAD FREIGHT SYSTEMS IN THE UNITED STATES

(Year 1987)

Atchison, Topeka and Santa Fe Railway Company
Burlington Northern Railroad Company
Chicago and North Western Transportation Company
Consolidated Rail Corporation (Conrail)
CSX Transportation
Denver and Rio Grande Western Railroad
Florida East Coast Railway
Grand Trunk Corporation
Guilford Industries
Illinois Central Gulf Railroad
Kansas City Southern Railway
Missouri-Kansas-Texas Railroad
Norfolk Southern Corporation
Union Pacific Railroad Corporation
Soo Line Railroad
Southern Pacific Transportation Company

NOTE: In addition to the 16 individual Class I railroad systems shown above, there are approximately 500 local, regional and switching and terminal railroads.

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(Revised January 1988)

Preface

Published since 1965, RAILROAD FACTS (formerly THE YEARBOOK OF RAILROAD FACTS) presents a summary of historic railroad data through 1986. Except as noted, statistics reported in this publication represent Class I railroads, as defined by the Interstate Commerce Commission (ICC), for each respective year. The 1986 basis for Class I railroads is $88.6 million in annual operating revenues.

Excluding Amtrak, there are now 16 reporting Class I systems. These 16 systems account for approximately 94 percent of industry revenues, 91 percent of its employees and about 83 percent of total railroad mileage. A list of Class I systems is provided on the inside of the front cover.

The historic data presented in RAILROAD FACTS are not necessarily comparable on a yearly basis because of four major factors as follows:

1. The consist of Class I railroads has changed throughout the years because of mergers, bankruptcies and declassifications by the ICC (see page 8 for a list of declassifications since 1978).

2. Beginning in 1983, the railroad industry changed its method of regulatory accounting for track (including structures) from a Retirement, Replacement, Betterment system, to a standard Depreciation Accounting system. Tables in RAILROAD FACTS that include a horizontal line between the years 1982 and 1983 are ones where the regulatory accounting change has a significant impact.

3. In 1985 and 1986 some railroads recorded significant "special charges" to recognize the diminished value of certain assets and to record the cost associated with programs to reduce employee levels. The railroads reported these expenses in two categories: "railway operating expenses," and "unusual and infrequent items." For purposes of calculating "return on investment" (ROI), the ICC excluded all special charges from net railway operating income, and thus from the ROI calculation. Similarly, the ROI presented in RAILROAD FACTS excludes special charges declared by the railroad industry in both 1985 and 1986. This is not the case for the return on equity measure which includes special charges.

4. Beginning in 1978, the railroad "Uniform System of Accounts" was refined so that historic operating expenses are not precisely comparable.

Except where otherwise noted, data presented herein are compiled from reports of individual Class I railroads to the Interstate Commerce Commission.

Introduction

RAILROAD FACTS—as the title implies—is a collection of pertinent facts about the U.S. freight railroad industry.

It contains statistics on traffic, equipment, employment and even a short summary of railroad passenger information.

RAILROAD FACTS 1987 tells the story of the freight railroads in 1986.

Although revenue carloadings originated in 1986 (p. 24) showed a gain of 0.4 percent, revenue ton-miles were down 1.1 percent (p. 29). On the bright side, however, a total of 5,005,968 piggyback trailers and trailer-size containers were moved, 9.1 percent above the 1985 level and a record for the fifth consecutive year (p. 26).

On the financial ledger, ordinary income fell by 58 percent in 1986 (p. 20), the second straight year it has fallen despite major cost-cutting efforts by the railroads.

The sharp drop in ordinary income was largely brought about by special charges taken by several midwestern railroads to cover expenses associated with equipment write-downs and labor-force reductions. However, absent those special charges, the decline in ordinary income would still have been 13 percent due to forced reductions in railroad rates.

Ordinary income also was adversely affected because of the elimination of investment tax credits mandated by the Tax Reform Act of 1986, retroactive to Jan. 1, 1986.

The effects of competitive pressures during the year resulted in a drop of 4 percent in freight revenue per ton-mile, which fell from 3.04 cents in 1985 to 2.92 cents in 1986 (p. 30).

1987 Six-Month Statistics

Although not shown elsewhere in RAILROAD FACTS 1987, the railroad industry reported that operating revenues were down in the first quarter of 1987 and were virtually unchanged in the second quarter of the year.

Also, freight revenue per ton-mile fell in both the first and second quarters of 1987 when compared to their respective 1986 quarters.

Revenue ton-miles for the first half of 1987 showed a gain of 5.2 percent over the comparable period of 1986 and total cars loaded in the first 26 weeks of the year were 2.0 percent over the previous year.

The gain in traffic, however, was not enough to offset declining revenue per ton-mile figures, the result being declining or stagnant operating revenues in both the first and second quarters.

The Staggers Act— Its Effects

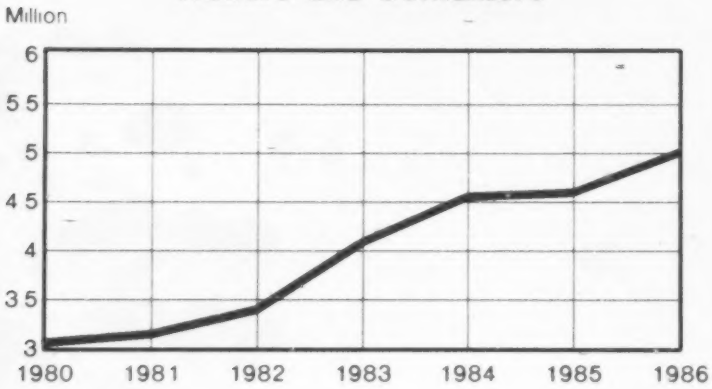
The Staggers Rail Act was passed by Congress in 1980, partially deregulating the railroad industry.

But Staggers was not enacted in a vacuum. Motor carriers were virtually completely deregulated about the time of Staggers' passage. Congress also liberalized the weight and length limitations of large trucks on most highways. Finally, our economy has undergone fundamental change since 1980 as we have shifted away from an industrial focus to one of greater service concentration, meaning reduced transportation of raw materials.

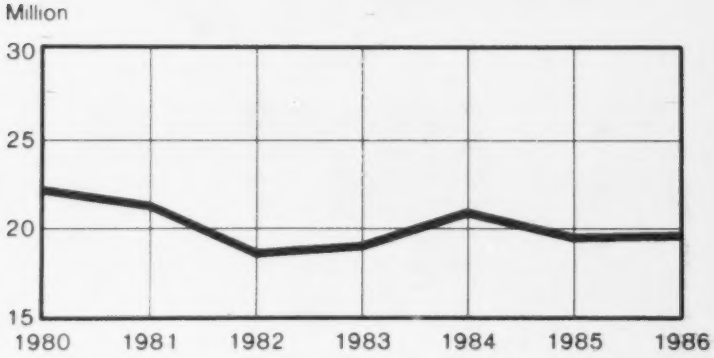
Below and on the following pages are some key indicators of how the U.S. freight railroad industry has fared through all these changes.

PIGGYBACK LOADINGS

Trailers and Containers

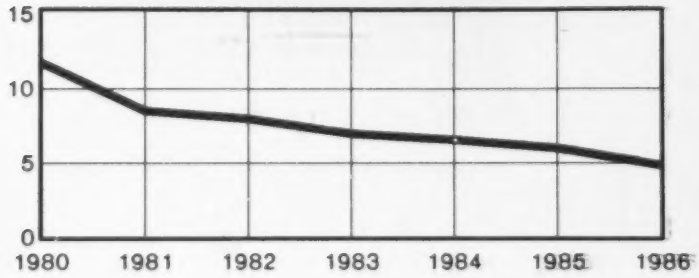


FREIGHT CARLOADINGS



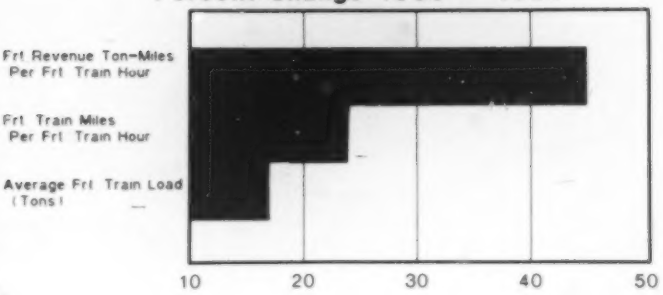
WITH MAJOR INVESTMENTS IN TRACK, RAILROAD SAFETY HAS SIGNIFICANTLY IMPROVED

TOTAL ACCIDENTS PER MILLION TRAIN-MILES



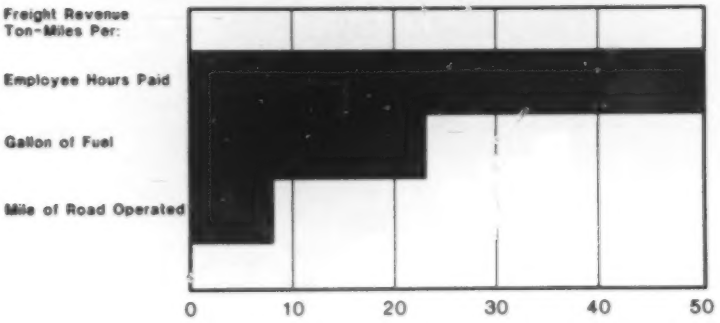
THE PHYSICAL EFFICIENCY OF RAIL OPERATIONS SHOWED MAJOR IMPROVEMENTS

Percent Change 1980 - 1986



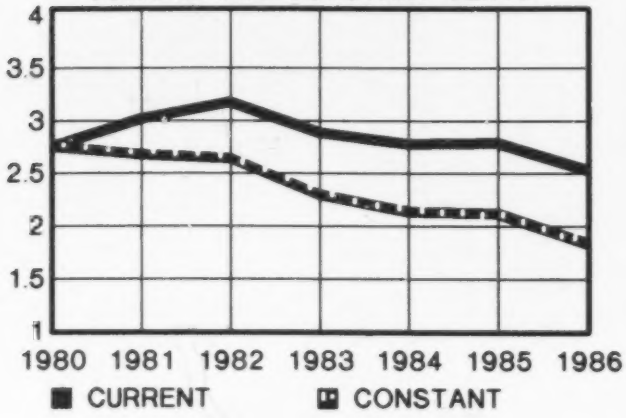
OTHER MAJOR PRODUCTIVITY IMPROVEMENTS

Percent Change 1980 - 1986



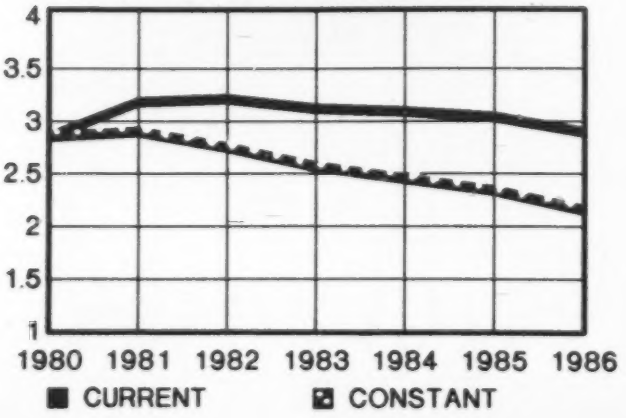
OPERATING EXPENSES PER TON-MILE

CLASS I RAILROADS
CURRENT AND CONSTANT CENTS



AVERAGE REVENUE PER TON-MILE

CLASS I RAILROADS
CURRENT AND CONSTANT CENTS



RAILROADS DECLASSIFIED FROM CLASS I STATUS SINCE 1978

Railroad	Year Declassified	Year Last Reported: Miles of Road	Number of Employees	Operating Revenues (000's)	Carloads
Bangor and Aroostook	1978	504	747	$ 19,583	81,358
Canadian Pacific (in Maine)	1978	234	327	13,538	118,353
Central Vermont	1978	362	396	13,266	43,692
Chicago & Illinois Midland	1978	121	358	11,746	73,611
Duluth, Winnipeg & Pacific	1978	170	278	28,267	124,776
Maine Central	1978	860	1,254	41,555	142,747
Richmond, Fred'burg & Potomac	1978	112	1,043	35,227	233,440
Texas-Mexican	1978	157	295	8,538	32,021
Bessemer & Lake Erie	1985	204	733	80,487	105,918
Duluth, Missabe & Iron Range	1985	357	1,206	79,725	403,370
Pittsburgh & Lake Erie	1985	408	1,070	50,316	63,832
Elgin, Joliet & Eastern	1986	175	1,495	84,987	76,476

STATISTICAL HIGHLIGHTS

Class I Line-Haul Railroads

	1986	1985	Percent change
PLANT AND EQUIPMENT:			
Net investment	$ 45,343,671,000	$ 46,236,932,000	– 1.9
Locomotives*	21,161	22,932	– 7.7
Freight cars**	1,339,453	1,421,686	– 5.8
Capital expenditures	$ 3,600,682,000	$ 4,422,903,000	– 18.6
Locomotives added*	408	669	– 39.0
Freight cars added**	11,508	12,080	– 4.7
TRAFFIC:			
Revenue carloadings	19,586,939	19,501,242[r]	0.4
Revenue ton-miles	867,722,221,000	876,984,000,000	– 1.1
Revenue per ton-mile	2.921¢	3.043¢	– 4.0
Miles hauled per ton	636	635	0.2
FINANCIAL RESULTS:			
Operating revenues	$ 26,204,122,000	$ 27,586,441,000	– 5.0
Operating expenses	24,896,015,000	25,225,295,000	– 1.3
Taxes:			
Current	2,938,012,000	2,722,588,000	7.9
Net railway operating income	506,591,000	1,746,386,000	– 71.0
Rate of return***	4.93%	5.81%[r]	
Net income (ordinary)	$ 746,965,000	$ 1,788,151,000	– 58.2
Cash dividends	1,375,936,000	1,443,688,000	– 4.7
Net working capital	742,700,000	1,083,500,000	– 31.5
EMPLOYMENT AND WAGES:			
Average number of employees*	295,699	323,946	– 8.7
Total wage compensation	$ 9,900,107,000	$ 10,563,033,000	– 6.3
Average yearly wages	35,894	34,991	2.6
OPERATIONS:			
Cars per freight train	70.3	71.8	– 2.1
Tons per carload	66.7	67.7	– 1.5
Net ton-miles per train-hour	57,393	56,343	1.9
Revenue ton-miles per car loaded	44,301	44,971[r]	– 1.5
Tons per freight train load	2,552	2,574	– 0.9

* Includes Amtrak. ** All railroads and private car companies. [r] revised

*** As calculated by Interstate Commerce Commission. See discussion on page 18.

CONDENSED INCOME ACCOUNT

Class I Line-Haul Railroads
(Dollar amounts in millions)

	1976	1985[1]	1986[1]
Total Operating Revenues	$ 18,536	$ 27,586	$ 26,204
Freight	17,400	26,688	25,344
Passenger	327	103	108
All Other Revenues	809	795	752
Total Operating Expenses	17,881	25,225	24,896
Net Operating Revenue	655	2,361	1,308
Other Income	703	1,336	1,502
Miscellaneous Deductions	95	305	330
Interest Charges and Amortization of Discount	656	945	913
Income Taxes on Ordinary Income[2]	163	294	490
Provision for Deferred Taxes	70	365	(327)
Unusual or Infrequent Items (Dr) Cr	(19)	—	(657)
Income Before Extraordinary Items	355	1,788	747
Net Railway Operating Income[3]	452	1,746	507
Rate of Return[4]	1.60%	5.81%[r]	4.93%

1 Data for 1985 and 1986 are not comparable to 1976 due to the conversion to a Depreciation Accounting System.

2 State Income Taxes (not available separately) are included in Operating Expenses in 1976 and in Income Taxes on Ordinary Income in 1985-86.

3 NROI = Net Operating Revenues, minus Income Taxes on Ordinary Income, minus Provision for Deferred Taxes, minus Income from Lease of Road and Equipment, plus Rent for Leased Road and Equipment.

4 See discussion on page 18, Rate of Return on Net Investment.

Note: Earnings for 1985 and 1986 are depressed due to inclusion of special charges. (See pages 14, 17, 20.)

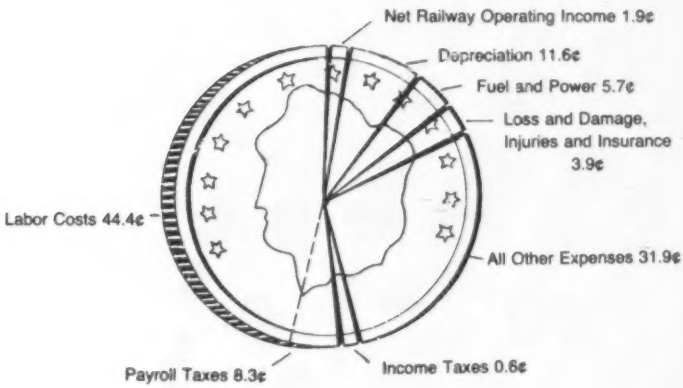
[r] revised

DISTRIBUTION OF OPERATING REVENUES

(Dollar amounts in millions)

	1986
Total operating revenues	$ 26,204
Wages charged to expenses	8,675
Health and welfare and pensions	769
Payroll taxes	2,183
Total labor costs	11,627
Income taxes on ordinary income[1]	490
Provision for deferred taxes	(327)
Fuel and power-locomotives	1,486
Loss and damage, injuries and insurance	1,024
Depreciation	3,032
All other expenses[2]	8,365
Total expenses and taxes	25,697
Net railway operating income	507

THE REVENUE DOLLAR—1986



1 Includes state income taxes.

2 Includes other materials and supplies, miscellaneous equipment, and joint facility rents, current taxes (other than payroll taxes and income taxes), and retirement charges and rent for income from leased roads and equipment.

OPERATING REVENUES

Railroad operating revenues amounted to $26.2 billion in 1986.
(Amounts shown in thousands)

	United States	Eastern District	Western District
1929	$ 6,279,521	$ 3,886,879	$ 2,392,642
1939	3,995,004	2,480,208	1,514,796
1944	9,436,790	5,416,089	4,020,701
1947	8,684,918	5,137,930	3,546,988
1951	10,390,611	6,083,725	4,306,885
1955	10,106,330	5,815,997	4,290,333
1972	13,409,815	7,084,616	6,325,199
1973	14,770,082	7,698,891	7,071,191
1974	16,922,841	8,862,595	8,060,246
1975	16,401,860	8,535,831	7,866,029
1976	18,536,482	9,557,098	8,979,384
1977	20,090,482	10,172,405	9,918,077
1978	21,721,332	10,620,862	11,100,470
1979	25,219,115	12,526,005	12,693,110
1980	28,102,946	13,434,101	14,668,845
1981	30,898,610	14,879,268	16,019,342
1982	27,503,503	13,357,745	14,145,758
1983	26,729,392	12,217,397	14,511,995
1984	29,453,446	13,566,348	15,887,098
1985	27,586,441	12,918,574	14,667,867
1986	**26,204,122**	**12,235,170**	**13,968,952**

FREIGHT REVENUE

Freight revenue of the Class I railroads totaled $25.3 billion in 1986, 5.0 percent below 1985.

(Amounts shown in thousands)

	United States	Eastern District	Western District
1929	$ 4,825,622	$ 2,948,430	$ 1,877,192
1939	3,251,096	2,000,183	1,250,913
1944	6,998,615	3,991,866	3,006,748
1947	7,041,185	4,114,802	2,926,383
1951	8,634,101	4,983,440	3,650,661
1955	8,538,286	4,828,871	3,709,415
1972	12,570,326	6,511,514	6,058,812
1973	13,770,734	7,017,914	6,752,820
1974	15,766,710	8,065,016	7,701,694
1975	15,389,809	7,804,519	7,585,290
1976	17,400,241	8,730,863	8,669,378
1977	18,892,437	9,311,002	9,581,435
1978	20,236,065	9,531,536	10,704,529
1979	23,447,418	11,199,011	12,248,407
1980	26,200,348	12,036,953	14,163,395
1981	28,925,436	13,414,570	15,510,866
1982	25,627,354	11,943,959	13,683,395
1983	25,835,519	11,743,928	14,091,591
1984	28,471,789	13,032,248	15,439,541
1985	26,687,652	12,444,633	14,243,019
1986	**25,343,911**	**11,803,793**	**13,540,118**

OPERATING EXPENSES

Operating expenses totaled $24.9 billion in 1986, down 1.3 percent from 1985. Data for the past four years are not comparable to prior years because of the industry's conversion in 1983 to a standard Depreciation Accounting System which, on paper only, has the effect of decreasing annual costs. (See discussion in Preface.)

(Amounts shown in thousands)

	United States	Eastern District	Western District
1929	$ 5,109,118	$ 3,178,515	$ 1,930,604
1939	3,511,310	2,146,792	1,364,519
1944	7,179,655	4,274,939	2,904,715
1947	7,725,423	4,690,309	3,035,115
1951	8,991,365	5,318,127	3,673,238
1955	8,621,255	4,989,033	3,632,224
1972	12,528,414	6,790,419	5,737,997
1973	13,844,765	7,368,054	6,476,711
1974	15,782,658	8,395,695	7,386,963
1975	15,935,542	8,517,851	7,417,691
1976	17,881,047	9,505,724	8,375,323
1977	19,533,970	10,277,500	9,256,469
1978	21,043,143	10,744,912	10,298,231
1979	23,994,154	12,136,793	11,857,361
1980	26,249,920	12,760,818	13,489,102
1981	28,586,890	13,740,751	14,846,139
1982	26,490,278	12,962,260	13,528,018
1983	24,106,254	11,017,643	13,088,611
1984	25,800,454	11,695,740	14,104,714
1985	25,225,295	11,947,595	13,277,700
1986	**24,896,015**	**10,996,766**	**13,899,249**

Note: Operating expenses for 1985 were increased by $784 million and for 1986 by $1.8 billion due to the inclusion of special charges.

PRINCIPAL CATEGORIES OF EXPENSES

Expenditures to maintain way, structures and equipment and transportation expenses accounted for 87 percent of total operating outlays in 1986.

Data for the years 1978-1982 are not comparable to figures shown for the prior years due to extensive changes in expense accounts under the revised Uniform System of Accounts which became effective January 1, 1978, and data for 1983-1986 are not comparable with any of the prior years due to conversion to a Depreciation Accounting System.

(Amounts shown in thousands)

	Maintenance of Way and Structures	Maintenance of Equipment	Transportation
1929	$855,355	$1,202,912	$2,079,954
1939	466,831	765,935	1,417,794
1944	1,263,292	1,587,485	2,973,910
1947	1,212,096	1,558,011	3,476,433
1951	1,478,766	1,945,022	3,974,458
1955	1,387,494	1,787,739	3,769,856
1972	1,920,395	2,397,596	5,207,652
1973	2,035,613	2,531,380	5,897,609
1974	2,351,973	2,809,237	6,766,355
1975	2,408,980	2,856,203	6,735,741
1976	3,047,236	3,213,892	7,337,593
1977	3,460,153	3,613,494	7,883,291
1978	4,055,105	5,421,182	9,617,066
1979	4,581,742	6,018,672	11,342,272
1980	4,923,403	6,387,976	12,646,893
1981	5,535,815	6,866,503	13,030,547
1982	5,208,584	6,413,196	12,366,145
1983	4,107,246	6,070,391	11,377,290
1984	4,250,275	6,572,696	12,281,567
1985	4,332,663	6,394,579	11,721,539
1986	**4,779,691**	**6,573,065**	**10,196,636**

Note: See footnote on page 14 regarding 1985 and 1986 data.

TAXES

Tax accruals for 1986 totaled $2.6 billion. Data for 1983-1986 are not strictly comparable with prior years due to conversion to a Depreciation Accounting System.

(Amounts shown in thousands)

	Total Taxes	Payroll Taxes	Federal Income Taxes	Deferred Taxes	Other Taxes (Current)
1929 ...	$ 396,683	—	$ 89,444	—	$ 307,239
1939 ...	355,678	$ 105,549	32,836	—	217,293
1944 ...	1,846,043	238,950	1,304,377	—	302,716
1947 ...	936,394	353,430	297,647	—	285,317
1951 ...	1,203,277	286,129	567,060	—	350,088
1955 ...	1,080,413	283,843	414,299	—	382,271
1972 ...	1,316,766	622,283	113,325	$173,858	407,300
1973 ...	1,547,109	804,857	130,326	199,433	412,493
1974 ...	1,990,473	1,118,223	217,123	210,683	444,444
1975 ...	1,706,411	1,088,501	58,122	114,525	445,262
1976 ...	1,927,405	1,262,535	162,956	70,298	431,616
1977 ...	2,063,572	1,399,084	60,161	175,814	428,513
1978 ...	2,142,572	1,457,699	148,789	93,048	443,036
1979 ...	2,411,829	1,625,360	144,481	211,336	430,652
1980 ...	2,577,625	1,648,870	223,544	279,134	426,077
1981 ...	3,330,084	1,888,792	(4,505)	936,578	509,219
1982 ...	2,628,119	1,952,698	(49,567)	399,188	325,800
1983 ...	3,013,581	1,794,578	(51,832)	894,813	376,022
1984 ...	3,577,034	2,054,140	172,874	930,284	419,736
1985 ...	3,087,648	2,121,858	178,552	365,060	422,178
1986 ...	**2,611,470**	**2,182,608**	**327,024**	**(326,542)**	**428,380**

NET RAILWAY OPERATING INCOME

Net railway operating income (NROI) for 1986 totaled $507 million, 71.0 percent lower than the previous year. Data for 1993-1986 are not comparable with prior years due to conversion to a Depreciation Accounting System.

Net railway operating income is the remainder of operating revenues after deducting operating expenses, current and deferred taxes, and rents for equipment and joint facilities, but before recording non-operating income and deducting fixed charges. "NROI" is the figure used to determine rate of return on investment.

(Amounts shown in thousands)

	United States	Eastern District	Western District
1929	$1,251,698	$767,277	$484,422
1939	588,829	410,714	178,116
1944	1,106,327	618,568	487,759
1947	780,694	407,125	373,570
1951	942,542	539,417	403,125
1955	1,127,997	678,557	449,440
1972	653,827	235,614	418,214
1973	649,828	235,237	414,591
1974	768,106	292,587	475,519
1975	350,682	(8,748)	359,429
1976	451,832	(48,421)	500,253
1977	343,093	(194,208)	537,301
1978	427,451	(200,893)	628,344
1979	837,232	159,553	677,679
1980	1,312,400	397,891	914,509
1981	1,360,611	622,966	737,645
1982	742,231	262,544	479,687
1983	1,837,854	870,047	967,807
1984	2,536,673	1,318,599	1,218,074
1985	1,746,386	760,143	986,243
1986	**506,591**	**739,971**	**(233,380)**

Note: NROI for 1985 and 1986 were reduced due to the inclusion of special charges; see Preface.

RATE OF RETURN ON NET INVESTMENT

The rate of return on net investment (ROI) represents the relationship of net railway operating income (NROI) to average net investment in transportation property.

The ROI figures for 1985 and 1986 have been calculated excluding (i) the effect of special charges on NROI and (ii) reduction of the net investment in transportation property for accumulated deferred tax liabilities. Special charges include substantial expenses to recognize the diminished value of certain assets and the costs associated with reductions in employee levels. The adjustments to NROI and the investment base were made to conform with revenue adequacy procedures issued by the ICC in 1986.

Rate of return for 1983-1986 are not comparable to years preceding because of a change made in 1983 to Depreciation Accounting for track structure expenditures.

	United States	Eastern District	Western District
1929	5.30%	5.63%	4.85%
1939	2.56	3.07	1.85
1944	4.70	4.61	4.82
1947	3.44	3.15	3.82
1951	3.76	3.76	3.76
1955	4.22	4.49	3.86
1972	2.34	1.53	3.34
1973	2.33	1.54	3.30
1974	2.70	1.89	3.66
1975	1.20	def.	2.65
1976	1.60	def.	3.57
1977	1.24	def.	3.71
1978	1.58	def.	4.22
1979	2.93	1.32	4.38
1980	4.22	2.78	5.56
1981	3.98	3.76	4.18
1982	2.11	1.54	2.65
1983	4.29	4.17	4.40
1984	5.70	6.09	5.34
1985	5.81	6.22	5.39
1986	**4.93**	**5.03**	**4.83**

def. – deficit

RETAINED FUNDS AND CAPITAL EXPENDITURES

Capital expenditures in 1986 exceeded retained funds by $1.6 billion. Because of the conversion to a Depreciation Accounting System, 1983-1986 data are not comparable with prior years.

(Millions of dollars)

Year	Retained Funds	Capital Expenditures	Excess of Retained Funds Over Capital Expenditures
1956	$1,014.4	$1,227.9	(d) $ 213.5
1957	907.3	1,394.7	(d) 487.4
1958	847.3	738.0	109.3
1959	800.4	818.0	(d) 17.6
1960	693.9	919.2	(d) 225.2
1961	677.2	646.4	30.7
1962	863.4	832.9	30.5
1963	949.7	1,043.8	(d) 94.1
1964	926.8	1,417.3	(d) 490.5
1965	1,057.9	1,630.7	(d) 572.8
1966	1,149.2	1,952.8	(d) 803.6
1967	816.7	1,522.5	(d) 705.8
1968	828.7	1,187.0	(d) 358.3
1969	815.6	1,509.4	(d) 693.8
1970	618.0	1,351.4	(d) 733.4
1971	784.1	1,177.6	(d) 393.5
1972	923.1	1,215.6	(d) 292.5
1973	964.1	1,342.1	(d) 378.0
1974	1,090.8	1,565.4	(d) 474.6
1975	621.7	1,789.7	(d) 1,168.0
1976	682.6	1,724.7	(d) 1,042.1
1977	762.8	2,290.4	(d) 1,527.6
1978	771.0	2,672.5	(d) 1,901.5
1979	1,420.7	3,145.0	(d) 1,724.3
1980	1,842.4	3,238.4	(d) 1,396.0
1981	3,136.7	2,751.0	385.7
1982	2,003.1	2,167.8	(d) 164.7
1983	3,645.0	2,984.7	660.3
1984	4,349.6	4,120.6	229.0
1985	3,066.8	4,485.3	(d) 1,418.5
1986	**2,004.8**	**3,645.3**	**(d) 1,640.5**

Note: Retained funds represent income before extraordinary charges, plus deferred taxes and depreciation, less cash dividends and equity in undistributed earnings of affiliated companies.

ORDINARY INCOME

Ordinary income (after income from outside sources and payment of fixed rentals, interest and other charges) amounted to $747 million in 1986, down 58.2 percent from 1985.

(Amounts shown in thousands)

	United States	Eastern District	Western District
1929	$896,807	$560,037	$336,769
1939	93,182	122,073	(28,892)
1944	667,188	363,459	303,729
1947	478,875	216,370	262,505
1951	693,176	345,673	347,503
1955	927,122	503,093	424,029
1972	318,637	(18,555)	337,192
1973	359,343	3,965	355,378
1974	730,229	242,580	487,649
1975	144,362	(156,013)	300,375
1976	354,982	(98,552)	453,534
1977	325,582	(159,187)	484,769
1978	306,786	(228,417)	535,203
1979	938,254	286,442	651,812
1980	1,129,392	400,670	728,722
1981	2,041,265	978,245	1,063,020
1982	1,151,548	669,390	482,158
1983	1,777,916	897,755	880,161
1984	2,653,814	1,488,704	1,165,110
1985	1,788,151	779,626	1,008,525
1986	**746,965**	**977,011**	**(230,046)**

Note: Ordinary income for 1985 and 1986 were reduced due to the inclusion of special charges.

RATE OF RETURN ON SHAREHOLDERS' EQUITY

The rate of return on shareholders' equity (ROE) for Class I railroads in 1986 was 2.1 percent. Due to conversion to a Depreciation Accounting System, the figures for 1983-86 are not comparable with prior years.

ROE represents the relationship of net income (after income from outside sources, payment of fixed charges and adjustment for extraordinary items) to shareholders' equity (the sum of capital stock, capital surplus and retained income).

(Dollar amount in thousands)

Year	Net Income	Shareholders' Equity*	Rate of Return on Equity*
1967	$321,542	$18,083,434	1.78%
1968	564,505	17,978,627	3.14
1969	463,565	17,876,294	2.59
1970	76,179	17,546,055	0.43
1972	228,173	16,338,931	1.40
1973	409,223	16,224,367	2.52
1974	767,065	15,641,679	4.90
1975	278,819	14,943,468	1.87
1976	414,351	15,086,007	2.75
1977	338,580	15,478,492	2.19
1978	202,075	15,295,935	1.32
1979	913,450	16,718,846	5.46
1980	1,129,392	18,777,051	6.01
1981	2,140,905	20,320,268	10.54
1982	1,151,548	21,199,739	5.43
1983	1,797,483	24,775,112	7.26
1984	2,701,064	27,171,974	9.94
1985	1,881,522	27,528,127	6.83
1986	**544,407**	**25,968,536**	**2.10**

* Average beginning and end of year.

Note: Net Income for 1985 and 1986 were reduced due to the inclusion of special charges.

NET WORKING CAPITAL

Net working capital, as shown below, is calculated by deducting current liabilities, including debt due within one year, from current assets, which include the material and supplies account.

(Amounts shown in millions)

Dec. 31	United States	Eastern District	Western District
1958	$995.3	$402.7	$592.6
1959	882.9	370.3	512.8
1960	677.9	298.4	379.4
1961	611.8	183.4	428.4
1962	674.5	147.0	527.5
1972	(60.7)	(146.8)	86.1
1973	157.9	55.1	102.9
1974	219.5	144.4	75.0
1975	67.9	31.1	36.8
1976	342.6	250.5	92.2
1977	570.9	306.2	264.8
1978	560.9	316.5	244.4
1979	566.9	579.8	(12.9)
1980	921.3	834.5	86.8
1981	1,691.6	1,245.1	446.4
1982	1,371.7	1,000.4	371.2
1983	1,325.4	1,175.3	150.1
1984	1,844.2	1,521.4	322.8
1985	1,083.5	1,093.2	(9.7)
1986	**742.7**	**859.5**	**(116.7)**

(Parentheses indicate deficit.)

EQUIPMENT OBLIGATIONS

Equipment debt, which had increased in every year since 1962, except 1978, declined in the past five years because the demand for additional equipment dropped sharply. Interest rates on new issues in 1986 were 24.1 percent lower than the average of 1985.

Equipment obligations due within one year are not included.

(Dollar amounts shown in millions)

Year	Issued During Year	Out-Standing at End of Year	Average Interest Rate Issued During Year
1956	$445.6	$2,631.2	3.48%
1957	631.0	2,908.7	4.16
1958	285.1	2,488.0	3.78
1959	299.8	2,418.1	4.60
1960	298.2	2,352.5	4.52
1961	225.9	2,206.0	4.29
1962	339.9	2,157.0	4.22
1963	456.0	2,207.1	4.17
1964	696.9	2,423.7	4.36
1965	803.5	2,771.4	4.53
1966	1,090.9	3,414.5	5.44
1967	757.0	3,679.8	5.72
1968	541.0	3,693.7	6.33
1969	633.1	3,788.6	7.57
1970	676.4	3,913.3	8.73
1971	675.0	3,985.4	7.46
1972	618.7	4,044.1	7.06
1973	557.1	4,076.9	7.54
1974	684.5	4,201.8	8.83
1975	1,035.5	4,669.1	8.65
1976	819.3	5,170.7	8.03
1977	956.6	5,284.2	7.66
1978	841.8	5,123.8	8.71
1979	850.6	5,624.4	9.88
1980	1,043.4	6,164.1	12.17
1981	704.8	6,204.5	14.65
1982	251.5	5,740.8	13.93
1983	236.5	5,130.8	11.63
1984	221.0	4,690.7	12.92
1985	569.8	4,352.9	11.12
1986	**161.3**	**3,927.3**	**8.44**

Note: Average interest rates are based on "Analytical Record Of Yields and Yield Spreads," Salomon Brothers, Inc.

REVENUE CARLOADINGS

Freight carloadings in 1986 increased slightly from the previous year. On a regional basis, carloadings were down 1.0 percent in the East, up 2.2 percent in the West.

	United States	Eastern District	Western District
1929	36,821,868	22,991,388	13,830,480
1939	24,119,098	15,448,912	8,670,186
1944	36,540,944	22,615,873	13,925,071
1947	36,966,971	23,335,585	13,631,386
1951	34,944,767	21,782,742	13,162,025
1955	32,761,707	20,135,326	12,626,381
1972	25,703,064	15,479,745	10,223,319
1973	26,990,257	16,043,844	10,946,413
1974	26,222,899	15,602,413	10,620,486
1975	22,929,843	13,527,350	9,402,493
1976	22,310,325	12,777,641	9,532,684
1977	22,822,704	13,306,449	9,516,255
1978	22,481,853	12,431,374	10,050,479
1979	23,409,752	13,013,765	10,395,987
1980	22,223,000	12,231,371	9,991,629
1981	21,342,987	11,767,498	9,575,489
1982	18,584,760	10,293,958	8,290,802
1983	19,013,250	10,418,503	8,594,747
1984	20,945,536	11,406,958	9,538,578
1985	19,501,242	10,828,217	8,673,025
1986	**19,586,939**	**10,720,660**	**8,866,279**

Note: The numbers in this table were revised to reflect only Class I railroads.

REVENUE CARLOADINGS BY COMMODITY GROUPS

In 1986, carloadings increased by 0.4 percent from the previous year, with only 8 of the 20 principal commodity groups showing increases. The biggest gainer was lumber and wood products, up 63,000 carloads (16.2 percent). Grain reversed its downward trend and showed a gain of 89,000 carloads, up 7.2 percent over a year ago. Coal carloadings fell 4.4 percent and nonmetallic mineral loadings were down 21.2 percent, a decline of 123,000 carloads. Piggyback loadings, which are included below, are also shown separately on the following page.

(Carloadings shown in thousands)

			Increase	
	1986	1985	Cars	Percent
Grain	1,324	1,235	89	7.2
Other farm products	278	259	19	7.3
Metallic ores	508	511	(3)	(0.6)
Coal	5,433	5,684	(251)	(4.4)
Crushed stone-gravel and sand	656	616	40	6.5
Non-metallic minerals	457	580	(123)	(21.2)
Grain mill products	597	565	32	5.7
Food and kindred products	679	659	20	3.0
Primary forest products	512	558	(46)	(8.2)
Lumber and wood products	453	390	63	16.2
Pulp, paper and allied products	672	703	(31)	(4.4)
Chemicals and allied products	1,298	1,307	(9)	(0.7)
Petroleum products	243	242	1	0.4
Stone, clay and glass products	530	551	(21)	(3.8)
Coke	224	238	(14)	(5.9)
Metals and products	416	481	(65)	(13.5)
Motor vehicles and equipment	1,094	1,133	(39)	(3.4)
Waste and scrap material	402	429	(27)	(6.3)
Forwarder and shipper assn., traffic	224	303	(79)	(26.1)
All other carloads	3,587	3,056	531	17.4
Total carloads originated	**19,587**	**19,501**	**86**	**0.4**

(Parentheses indicate decreases.)

Note: The numbers in this table were revised to reflect only Class I railroads.

PIGGYBACK LOADINGS

Revenue cars loaded in piggyback service totaled 2,982,276 in 1986, another record and up 7.7 percent from the previous year. The number of trailers and containers loaded totaled 5,005,968, also a record and 9.1 percent over 1985.

TOFC/COFC remained second only to coal in rank of carloadings by traffic group, accounting for 15.2 percent of total carloadings in 1986.

Year	Revenue Cars			Trailers and Containers
	United States	Eastern District	Western District	
1958	278,071	147,973	130,098	—
1959	416,508	214,697	201,811	—
1960	554,115	284,945	269,170	—
1961	591,246	337,354	253,892	902,260
1962	706,441	434,623	271,818	1,139,220
1963	815,773	500,409	315,364	1,294,090
1964	920,827	575,728	345,099	1,455,523
1965	1,076,820	681,951	394,869	1,664,929
1966	1,224,337	771,511	452,826	1,912,419
1967	1,277,410	793,142	484,268	1,983,793
1968	1,509,843	935,844	573,999	2,419,217
1969	1,539,797	935,669	604,128	2,497,586
1970	1,449,519	876,743	572,776	2,363,200
1971	1,356,394	831,299	525,095	2,203,530
1972	1,448,075	953,361	494,714	2,407,034
1973	1,630,795	1,014,803	615,992	2,758,044
1974	1,609,876	999,612	610,264	2,752,825
1975	1,307,520	800,784	506,736	2,238,117
1976	1,505,945	878,942	627,003	2,538,318
1977	1,688,806	955,015	733,791	2,850,231
1978	1,840,588	993,450	847,138	3,177,291
1979	1,857,705	988,565	869,140	3,278,163
1980	1,687,121	901,864	785,257	3,059,402
1981	1,752,479	920,654	831,825	3,150,522
1982	1,920,377	1,012,424	907,953	3,396,973
1983	2,347,530	1,202,045	1,145,485	4,090,078
1984	2,688,949	1,323,952	1,364,997	4,565,743
1985	2,768,493[r]	1,385,282[r]	1,383,211[r]	4,588,604
1986	**2,982,276**	**1,440,305**	**1,541,971**	**5,005,968**

[r] Revised **Note:** Mail and express traffic moving in piggyback service is included in above data beginning with 1963. **Source:** Transportation Division, AAR.

ORIGINATED TONNAGE

The volume of revenue freight originated on lines of Class I railroads in 1986 amounted to 1.31 billion tons, down 1.1 percent from 1985.

As shown on the following page, coal accounted for 518 million tons (or 39.6 percent) of total tonnage in 1986.

(Tonnage in thousands)

	United States	Eastern District	Western District
1929	1,339,091	872,186	466,905
1939	901,669	604,397	297,273
1944	1,491,491	963,561	527,930
1947	1,537,546	1,005,498	532,048
1951	1,477,402	944,094	533,308
1955	1,396,339	877,935	518,404
1972	1,447,864	874,751	573,113
1973	1,532,165	907,524	624,641
1974	1,530,686	908,323	622,363
1975	1,395,055	816,280	578,776
1976	1,406,732	815,341	591,391
1977	1,394,742	805,001	589,741
1978	1,390,175	751,293	638,882
1979	1,502,251	818,490	683,761
1980	1,492,414	806,296	686,118
1981	1,453,021	784,897	668,123
1982	1,268,645	694,582	574,062
1983	1,292,607	694,941	597,667
1984	1,429,388	759,955	669,433
1985	1,319,794	723,250	596,544
1986	**1,305,839**	**719,313**	**586,526**

FREIGHT COMMODITIES

In 1986, Class I railroads transported 518 million tons of coal, the equivalent of 39.6 percent of total tonnage for all commodities. The $6.09 billion in freight revenue the railroads derived from their coal traffic represented 22.4 percent of total freight revenues.

Tonnages and revenue data for the 13 leading commodity groups are presented below. As shown, these groups accounted for 95.1 percent of tons originated and 87.9 percent of total freight revenues.

STCC No.	Commodity	Tons Originated: Tons (000's)	Tons Originated: % of Total	Revenues: (Million $'s)	Revenues: % of Total
11	Coal	517,502	39.6	6,089	22.4
01	Farm products	136,442	10.4	2,007	7.4
14	Nonmetallic minerals	101,228	7.8	839	3.1
28	Chemicals & allied products	105,631	8.1	3,343	12.3
20	Food & kindred products	78,279	6.0	2,193	8.1
24	Lumber & wood products	64,927	5.0	1,563	5.7
10	Metallic ores	46,362	3.6	375	1.4
32	Stone, clay & glass products	42,085	3.2	907	3.3
26	Pulp, paper & allied products	35,654	2.7	1,572	5.8
33	Primary metal products	29,707	2.3	787	2.9
29	Petroleum & coal products	32,774	2.5	800	2.9
37	Transportation equipment	25,946	2.0	2,997	11.0
40	Waste & scrap materials	25,047	1.9	425	1.6
	Subtotal	1,241,584	95.1	23,897	87.9
	All others	64,255	4.9	3,295	12.1
	Total	**1,305,839**	**100.0**	**27,192**	**100.0**

REVENUE TON-MILES

Revenue ton-miles of Class I railroads totaled 868 billion in 1986, down 1.1 percent from 1985.

Ton-miles are the product of the weight of lading in tons and distance transported in miles. As shown on page 39, ton-miles per loaded car in 1986 declined by 1.5 percent from the 1985 average.

(Ton-miles in millions)

	United States	Eastern District	Western District
1929	447,322	286,583	160,738
1936	339,246	216,516	122,730
1939	333,438	211,571	121,868
1944	737,246	428,096	309,150
1947	654,728	383,210	271,518
1951	646,620	365,964	280,657
1955	623,615	347,145	276,469
1972	776,746	378,337	398,410
1973	851,809	402,901	448,907
1974	850,961	409,066	441,895
1975	754,252	358,170	396,083
1976	794,059	367,664	426,395
1977	826,292	371,967	454,326
1978	858,105	360,050	498,056
1979	913,669	379,304	534,365
1980	918,621	372,021	546,601
1981	910,169	363,424	546,746
1982	797,759	320,575	477,183
1983	828,275	321,584	506,690
1984	921,542	354,538	567,003
1985	876,984	340,314	536,670
1986	**867,722**	**326,592**	**541,131**

Note: The total of intercity ton-miles for all classes of railroads is reported on page 32.

TON-MILE REVENUE

Revenue per ton-mile averaged 2.921 cents for the year 1986, down 4.0 percent from 1985. This was the fourth consecutive annual decline.

Average revenue per ton-mile is the average amount received for hauling a ton of freight one mile. While it does not necessarily measure average rate levels, because it is affected by composition of traffic and length of haul, it does show the average freight charges for traffic handled in each year.

	United States	Eastern District	Western District
1929	1.076¢	1.029¢	1.162¢
1939	0.973	0.932	1.021
1944	0.949	0.932	0.972
1947	1.076	1.074	1.078
1951	1.336	1.362	1.301
1955	1.370	1.391	1.342
1972	1.618	1.721	1.521
1973	1.617	1.742	1.504
1974	1.853	1.972	1.743
1975	2.041	2.179	1.913
1976	2.191	2.375	2.033
1977	2.286	2.503	2.109
1978	2.358	2.647	2.149
1979	2.599	2.953	2.434
1980	2.852	3.236	2.591
1981	3.178	3.691	2.837
1982	3.212	3.726	2.868
1983	3.119	3.652	2.781
1984	3.090	3.676	2.723
1985	3.043	3.657	2.654
1986	**2.921**	**3.614**	**2.502**

REVENUE AND DISTANCE PER TON

Average revenue per ton originated on Class I railroads declined 2.7 percent in 1986. The average haul, considering all line-haul railroads as a system, and including estimated data for non-Class I railroads, rose to an estimated 636 miles in 1986, a new record. The average freight haul has increased by 17.8 percent over the past decade.

	FREIGHT	
	Average Revenue Per Ton Originated	Average Haul Per Ton (miles)
1929	$3.45	317.17
1939	3.74	351.21
1944	4.92	473.46
1947	4.82	407.82
1951	6.11	419.99
1955	6.40	429.75
1972	8.99	511.34
1973	9.36	531.00
1974	10.70	526.53
1975	11.40	515.89
1976	12.75	540.00
1977	13.90	548.79
1978	14.95	572.00
1979	16.17	580.00
1980	18.05	590.00
1981	20.36	600.00
1982	20.89	604.00
1983	20.66	613.00
1984	20.89	617.00
1985	21.39	635.00
1986	**20.82**	**636.31**

Note: Average haul per ton applies to all line-haul railroads as a system and is partially estimated beginning with 1978. All other data refer to Class I railroads only.

VOLUME OF U.S. INTERCITY FREIGHT AND PASSENGER TRAFFIC

Millions of **Revenue Freight Ton-Miles** and Percentage of Total

Year	Rail-roads[a]	%	Trucks	%	Great Lakes	%	Rivers and Canals	%	Oil Pipe-lines	%	Air	%	Total
1929	454,800	**74.9**	19,689	**3.3**	97,322	**16.0**	8,661	**1.4**	26,900	**4.4**	3	—	607,375
1939	338,850	**62.4**	52,821	**9.7**	76,312	**14.0**	19,937	**3.7**	55,602	**10.2**	12	—	543,534
1944	746,912	**68.6**	58,264	**5.4**	118,769	**10.9**	31,386	**2.9**	132,864	**12.2**	71	—	1,088,266
1950	596,940	**56.2**	172,860	**16.3**	111,687	**10.5**	51,657	**4.9**	129,175	**12.1**	318	—	1,062,637
1960	579,130	**44.1**	285,483	**21.7**	99,468	**7.6**	120,785	**9.2**	228,626	**17.4**	778	—	1,314,270
1970	771,168	**39.8**	412,000	**21.3**	114,475	**5.9**	204,085	**10.5**	431,000	**22.3**	3,295	**0.2**	1,936,023
1980	932,000	**37.5**	555,000	**22.3**	96,000	**3.9**	311,000	**12.5**	588,000	**23.6**	4,840	**0.2**	2,486,840
1984	935,000	**37.5**	605,000	**24.2**	76,000	**3.0**	306,000	**12.3**	568,000	**22.7**	6,600	**0.3**	2,496,600
1985	895,000	**36.4**	610,000	**24.8**	76,000	**3.1**	306,000	**12.5**	564,000	**22.9**	6,710	**0.3**	2,457,710
1986p	**896,000**	**35.8**	**627,000**	**25.1**	**72,000**	**2.9**	**321,000**	**12.8**	**579,000**	**23.1**	**7,340**	**0.3**	**2,502,340**

Millions of **Revenue Passenger-Miles** and Percentage of Total (Except Private)

Year	Rail-roads[a]	%	Buses	%	Air Carriers	%	Inland Water-ways	%	Total (except private)	Private Auto-mobiles	Private Air-planes	Total (including private)
1929	33,965	**77.1**	6,800	**15.4**	—	—	3,300	**7.5**	44,065	175,000	—	219,065
1939	23,669	**67.7**	9,100	**26.0**	683	**2.0**	1,486	**4.3**	34,938	275,000	—	309,938
1944	97,705	**75.7**	26,920	**20.9**	2,177	**1.7**	2,187	**1.7**	128,989	181,000	1	309,990
1950	32,481	**47.2**	26,436	**38.4**	8,773	**12.7**	1,190	**1.7**	68,880	438,293	1,299	508,472
1960	21,574	**28.6**	19,327	**25.7**	31,730	**42.1**	2,688	**3.6**	75,319	706,079	2,228	783,626
1970	10,903	**5.7**	25,300	**14.3**	109,499	**77.7**	4,000	**2.3**	149,702	1,026,000	9,101	1,184,803
1980	11,000	**4.5**	27,400	**11.3**	204,400	**84.2**	N.A.	—	242,800	1,300,400	14,700	1,557,900
1984	11,500	**4.0**	27,100	**9.4**	250,700	**86.6**	N.A.	—	289,300	1,436,800	12,500	1,738,600
1985	11,400	**3.6**	23,800	**7.6**	277,800	**88.8**	N.A.	—	313,000	1,418,300	13,000	1,744,300
1986p	**11,900**	**3.5**	**23,700**	**6.9**	**307,600**	**89.6**	**N.A.**	—	**343,200**	**1,459,700**	**12,100**	**1,815,000**

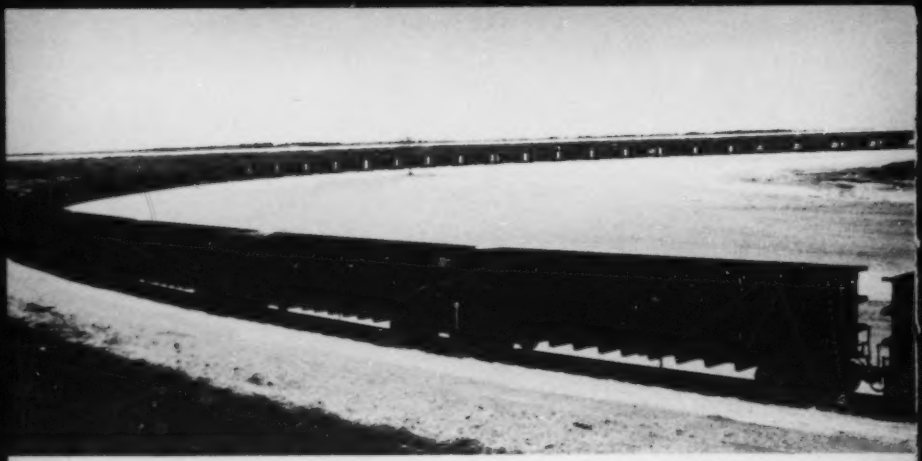
a—Railroads of all classes, including electric railways, Amtrak and Auto-Train. (See page 29 for ton-miles of Class I railroads only)
p—These are preliminary estimates and are subject to frequent subsequent adjustments.
Note: Air carrier data from reports of CAB and TAA; Great Lakes and rivers and canals from Corps of Engineers and TAA; all 1980, 1984 through 1986 figures are from Transportation Policy Associates, except rail freight traffic is by the AAR

FREIGHT TRAIN-MILES

Freight train-miles of all Class I railroads in 1986 totaled 347 million, an average of 6.8 train-miles per day for each of 140,061 miles of road owned.

(Train-miles in thousands)

	United States	Eastern District	Western District
1929	613,444	352,104	261,340
1939	451,991	249,254	202,736
1944	698,761	381,713	317,048
1947	616,071	333,263	282,808
1951	528,573	280,842	247,731
1955	476,444	247,492	228,951
1972	451,032	210,699	240,333
1973	468,992	215,221	253 770
1974	469,268	212,094	257,175
1975	402,557	183,855	218,702
1976	424,571	191,419	233,152
1977	427,686	187,118	240,568
1978	432,944	181,236	251,707
1979	437,835	187,612	250,223
1980	428,488	177,727	250,761
1981	407,520	167,076	240,445
1982	344,936	141,760	203,176
1983	345,916	136,509	209,407
1984	369,403	146,120	223,283
1985	347,292	140,390	206,903
1986	**347,234**	**135,126**	**212,107**



FREIGHT CAR-MILES

Of the 24.4 billion freight car-miles on Class I railroads in 1986, some 57.4 percent were made by loaded cars. (A car-mile is the movement of a car one mile.)

(Car-miles in millions)

	United States	Eastern District	Western District
1929	29,142	17,279	11,863
1939	21,782	12,589	9,193
1944	36,620	20,446	16,174
1947	32,201	17,662	14,539
1951	31,216	16,536	14,680
1955	31,198	16,161	15,037
1972	30,309	14,409	15,900
1973	31,248	14,488	16,760
1974	30,719	14,345	16,374
1975	27,656	12,833	14,823
1976	28,530	12,933	15,597
1977	28,749	12,673	16,075
1978	29,076	12,194	16,881
1979	29,436	12,422	17,014
1980	29,277	12,009	17,268
1981	27,968	11,374	16,595
1982	23,952	9,898	14,054
1983	24,358	9,822	14,536
1984	26,409	10,644	15,765
1985	24,920	10,324	14,595
1986	**24,414**	**9,916**	**14,497**

CARS PER AVERAGE FREIGHT TRAIN

The average freight train in 1986 consisted of 70.3 cars, a decline of 2.1 percent from 1985. Average tonnage per train decreased 0.9 percent over last year. (See page 37.)

The number of cars in the average train is computed by dividing freight car-miles by freight train-miles.

	United States	Eastern District	Western District
1929	47.6	49.1	45.5
1939	48.1	50.5	45.3
1944	52.3	53.6	50.9
1947	52.2	53.0	51.3
1951	59.0	58.9	59.1
1955	65.5	65.3	65.6
1972	67.1	68.4	66.1
1973	66.6	67.3	66.0
1974	65.5	67.6	63.7
1975	68.6	69.8	67.7
1976	67.1	67.6	66.8
1977	67.2	67.7	66.8
1978	67.2	67.3	67.1
1979	67.2	66.2	70.0
1980	68.3	67.6	68.9
1981	68.6	68.1	69.0
1982	69.4	69.8	69.2
1983	70.4	72.0	69.4
1984	71.5	72.8	70.6
1985	71.8	73.5	70.5
1986	**70.3**	**73.4**	**68.3**

AVERAGE FREIGHT CARLOAD—TONS

The average weight of a carload of freight was 66.7 tons in 1986, down slightly from 1985.

	United States	Eastern District	Western District
1929	35.4	37.9	33.0
1939	36.8	39.1	33.8
1944	40.3	42.6	37.5
1947	41.0	43.1	38.6
1951	42.0	43.3	40.3
1955	42.4	43.6	40.9
1972	56.3	56.5	56.0
1973	56.7	56.6	57.0
1974	58.4	58.2	58.6
1975	60.8	60.3	61.6
1976	61.0	63.8	62.0
1977	61.1	60.5	62.0
1978	61.8	60.4	63.5
1979	64.1	62.9	65.8
1980	67.1	65.9	67.3
1981	68.1	66.7	69.8
1982	68.3	67.5	69.2
1983	68.0	66.7	69.5
1984	68.2	66.6	70.2
1985	67.7	66.8	68.8
1986	**66.7**	**67.1**	**66.2**

AVERAGE FREIGHT TRAIN LOAD

The average freight train in 1986 carried 2,552 tons of freight, down from last year's record 2,574 tons. The average represents net ton-miles per freight train-mile.

	United States	Eastern District	Western District
1929	804	819	702
1939	806	849	679
1944	1,124	1,142	1,050
1947	1,131	1,153	1,033
1951	1,283	1,305	1,201
1955	1,359	1,422	1,264
1972	1,774	1,843	1,716
1973	1,844	1,920	1,784
1974	1,875	1,975	1,790
1975	1,938	2,003	1,883
1976	1,954	1,990	1,922
1977	2,029	2,068	1,998
1978	2,029	2,005	2,020
1979	2,096	2,062	2,121
1980	2,175	2,121	2,213
1981	2,265	2,208	2,305
1982	2,345	2,295	2,380
1983	2,432	2,395	2,456
1984	2,543	2,466	2,594
1985	2,574	2,461	2,650
1986	**2,552**	**2,455**	**2,613**

NET TON-MILES PER TRAIN-HOUR

Net ton-miles per train-hour, a statistic reflecting both the number of tons hauled and miles travelled during an average hour of a freight train's operation, averaged a record 57,393 in 1986, 1.9 percent higher than 1985. Beginning with 1979, the average is not precisely comparable with prior years due to an ICC definitional change requiring inclusion of terminal delay time in counting train-hours.

Gross ton-miles per freight train-hour, including ton-miles of cars and their contents, but not including ton-miles of locomotives, averaged 113,220 in 1986.

	United States	Eastern District	Western District
1929	10,580	10,601	9,568
1939	13,450	13,537	12,108
1944	17,623	17,011	17,470
1947	18,126	17,566	17,942
1951	21,760	20,968	21,956
1955	25,314	24,489	25,985
1972	35,436	31,304	40,382
1973	36,535	33,762	41,872
1974	37,258	34,238	40,706
1975	38,778	34,628	43,764
1976	39,274	33,794	45,879
1977	40,077	34,081	47,040
1978	39,305	32,190	46,003
1979	35,967	28,210	44,981
1980	39,543	31,037	48,583
1981	43,109	33,434	53,396
1982	50,232	40,763	59,532
1983	49,413	37,363	62,155
1984	54,465	43,846	64,128
1985	56,343	44,709	67,392
1986	**57,393**	**45,791**	**67,649**

Note: Train-hours spent in switching in road service are included in above computations.

REVENUE TON-MILES PER CAR LOADED

Even though ton-miles per loaded car decreased in 1986, the annual average has increased almost four-fold in the last 57 years, rising from 12,148 in 1929 to 44,301 in 1986. In the past decade alone, the average has risen by 24 percent. This significant efficiency improvement is due to the installation of larger, specialized freight cars, the retirement of smaller cars and a longer average haul.

	United States	Eastern District	Western District
1929	12,148	12,465	11,622
1939	13,825	13,695	14,056
1944	20,176	18,929	22,201
1947	17,711	16,422	19,919
1951	18,504	16,801	21,323
1955	19,035	17,241	21,896
1972	30,220	24,441	38,971
1973	31,560	25,112	41,010
1974	32,451	26,218	41,608
1975	32,894	26,477	42,125
1976	35,592	28,774	44,730
1977	36,205	27,954	47,742
1978	38,169	28,963	49,555
1979	39,029	29,146	51,401
1980	41,336	30,415	54,706
1981	42,645	30,884	57,098
1982	42,925	31,142	57,556
1983	43,563	30,867	58,953
1984	43,997	31,081	59,443
1985	44,971	31,428	61,878
1986	**44,301**	**30,464**	**61,032**

REVENUE TON-MILES PER GALLON OF FUEL CONSUMED

In 1986, the Class I railroads generated 290 ton-miles for every gallon of fuel consumed, a 2.8 percent gain over the prior year. As shown below, the railroads have logged a 40 percent increase over the past 10 years in this key measurement of energy efficiency.

Year	Revenue Ton-Miles (millions)	Fuel Consumed In Freight Service* (million gallons)	Revenue Ton-Miles Per Gallon of Fuel Consumed	
			Ton-Miles	Index
1971	739,743	3,659	202	100
1972	776,746	3,901	199	99
1973	851,809	4,051	210	104
1974	850,961	4,023	211	105
1975	754,252	3,657	206	102
1976	794,059	3,828	207	102
1977	826,292	3,921	211	104
1978	858,105	3,898	220	109
1979	913,669	4,013	228	113
1980	918,621	3,890	236	117
1981	910,169	3,722	245	121
1982	797,759	3,130	255	126
1983	828,275	3,112	266	132
1984	921,542	3,354	275	136
1985	876,984	3,110	282	140
1986	**867,722**	**2,997**	**290**	**144**

* Includes a small amount of fuel used in switching passenger trains.

REVENUE TON-MILES PER EMPLOYEE AND EMPLOYEE HOUR

Freight revenue ton-miles per employee and employee hour paid for amounted to 3.2 million and 1,293, respectively, in 1986, representing gains of 113 and 114 percent over the past 15 years.

Year	Freight Revenue Ton-Miles Per: Employee* (millions)	Employee Hour*
1971	1.5	604
1972	1.5	637
1973	1.7	696
1974	1.7	696
1975	1.6	677
1976	1.7	712
1977	1.8	738
1978	1.9	775
1979	2.0	792
1980	2.1	862
1981	2.2	906
1982	2.2	927
1983	2.6	1,073
1984	2.9	1,169
1985	2.9	1,195
1986	**3.2**	**1,293**

*Freight service employment estimated on basis of ratio of freight operating expenses to total operation expenses.

Note: Increases in output in recent years are due, in part, to the installation of larger cars and to longer average hauls.

MILES OF ROAD OWNED

As of December 31, 1986, the Class I line-haul railroads in the United States owned 140,061 miles of railroad lines. This represents the aggregate length of roadway, excluding yard tracks, sidings and parallel lines. Jointly used track is counted only once.

1929	229,530	1976	185,395*
1939	220,915	1977	182,380*
1944	215,493	1978	175,912
1947	214,486	1979	169,927
1951	213,401	1980	164,822
1955	211,459	1981	162,160
1971	195,840	1982	159,123
1972	194,421	1983	155,879
1973	192,813	1984	151,998
1974	192,991	1985	145,764
1975	191,520	1986	140,061

MILES OF TRACK OWNED

As of December 31, 1986, the Class I line-haul railroads owned 233,205 miles of track. Miles of railroad track includes multiple main tracks, yard tracks and sidings.

1929	381,417	1976	304,100*
1939	364,174	1977	295,500*
1944	355,880	1978	283,573
1947	355,227	1979	277,240
1951	354,546	1980	270,623
1955	350,217	1981	267,589
1971	317,711	1982	263,330
1972	315,211	1983	258,703
1973	313,282	1984	252,748
1974	313,006	1985	242,320
1975	310,941	1986	233,205

* Partially estimated.

Note: The data shown above differ from statistics shown in editions of this publication prior to 1984 which included estimated mileage of non-Class I railroads. Class I railroads account for about 83 percent of total railroad mileage.

RAILROAD MILEAGE OPERATED BY STATES (1986)

The total miles of line shown below for 1986 represent mileage operated by Class I roads only. Data for Class II and III railroads are no longer available. Two or more parallel tracks are not duplicated in this listing. Mileage of yard tracks and sidings is also excluded from these totals.

Alabama	3,650	Montana	3,274
Alaska	—	Nebraska	4,426
Arizona	1,698	Nevada	1,451
Arkansas	2,594	New Hampshire	355
California	6,287	New Jersey	1,194
Colorado	3,369	New Mexico	2,062
Connecticut	466	New York	3,453
Delaware	212	North Carolina	3,217
Dist. of Col.	47	North Dakota	4,472
Florida	3,085	Ohio	6,102
Georgia	5,031	Oklahoma	4,024
Hawaii	—	Oregon	2,865
Idaho	2,256	Pennsylvania	5,113
Illinois	7,960	Rhode Island	—
Indiana	4,813	South Carolina	2,533
Iowa	3,503	South Dakota	1,277
Kansas	7,376	Tennessee	2,537
Kentucky	2,846	Texas	12,802
Louisiana	2,785	Utah	1,483
Maine	46	Vermont	102
Maryland	849	Virginia	3,729
Massachusetts	1,079	Washington	3,562
Michigan	3,451	West Virginia	3,156
Minnesota	5,092	Wisconsin	3,647
Mississippi	1,510	Wyoming	1,993
Missouri	5,823	**Total U.S.**	**154,657**

Note: Railroad mileage by state shown in editions of RAILROAD FACTS prior to 1978 was based on mileage owned rather than mileage operated.

LOCOMOTIVES IN SERVICE

There were 21,161 locomotive units in service on Class I railroads at the close of 1986, down by 7.7 percent from a year earlier. All but 63 of the units were diesel-electric. Locomotives owned and leased by Amtrak are included in the table below beginning in 1972; Auto-Train locomotives are included for the years 1972-1977.

The superiority of modern locomotive units over the older types replaced is illustrated by the fact that the railroads in 1986 handled about 3 times the revenue ton-miles that were handled 50 years ago with one-half the number of locomotive units.

Dec. 31	Total	Diesel-Electric Units	Steam	Electric Units	Other
1929	57,571	22	56,936	601	12
1939	42,511	510	41,117	843	41
1944	43,612	3,049	39,681	863	19
1947	41,719	5,772	35,108	821	18
1951	40,036	17,493	21,747	780	16
1955	31,429	24,786	5,982	627	34
1972	27,358	27,064	13	252	29
1973	27,790	27,540	12	238	—
1974	28,084	27,857	12	215	—
1975	28,210	27,985	12	213	—
1976	27,612	27,383	12	217	—
1977	27,667	27,450	12	205	—
1978	27,400	27,184	12	204	—
1979	28,097	27,922	12	163	—
1980	28,396	28,243	12	141	—
1981	27,808	27,732	2	74	—
1982	27,073	27,000	2	71	—
1983	25,838	25,775	2	61	—
1984	24,506	24,443	2	61	—
1985	22,932	22,869	2	61	—
1986	**21,161**	**21,098**	**2**	**61**	**—**

Note: Units not self-powered are omitted after 1972. (formerly reported under "Other.")

AGE OF LOCOMOTIVES

As shown below, 65 percent of the units in the locomotive fleet at year-end have been added since 1970 and 19 percent of the fleet is six years old or less.

(Age Distribution of Locomotive Fleet, December 31, 1986)

Date built[1]	Number of Locomotives in Age Bracket	Percent of Locomotives in Age Bracket
Jan. 1, 1980-Dec.31, 1986	3,959	19.1%
Jan. 1, 1975-Dec. 31, 1979	4,725	22.7
Jan. 1, 1970-Dec 31, 1974	4,762	22.9
Jan. 1, 1965-Dec. 31, 1969	3,143	15.1
Before 1965	4,203	20.2
Total	20,792[2]	100.0

[1] Disregards year of rebuilding.

[2] Does not include Amtrak.

FREIGHT CARS

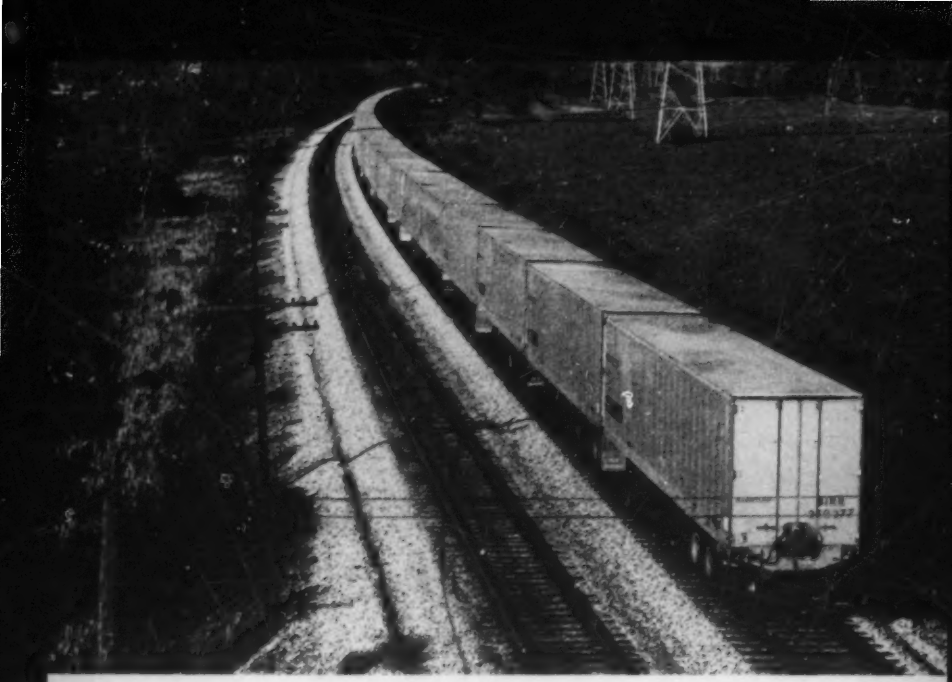
There were 1,339,453 freight cars in railroad service at the close of 1986, 5.8 percent less than a year earlier.

The "car companies" category includes such railroad subsidiaries as the Trailer Train Company and refrigerator car companies.

Cabooses are not included in the totals below.

Dec. 31	Total	Class I Railroads	Other Railroads	Car Companies and Shippers
1929	2,610,662	2,277,505	46,178	286,979
1939	1,961,705	1,650,031	30,488	281,186
1944	2,067,948	1,769,578	27,434	270,936
1947	2,025,008	1,734,239	25,519	265,250
1951	2,046,600	1,752,430	25,448	268,722
1955	1,996,443	1,698,814	24,933	272,696
1972	1,716,937	1,410,568	22,749	283,620
1973	1,710,659	1,395,105	23,114	292,440
1974	1,720,573	1,375,265	25,977	319,331
1975	1,723,605	1,359,459	29,407	334,739
1976	1,699,027	1,331,705	34,452	332,870
1977	1,666,533	1,287,315	40,378	338,840
1978	1,652,774	1,226,500	68,881	357,393
1979	1,700,310	1,217,079	91,427	391,804
1980	1,710,827	1,168,114	102,161	440,552
1981	1,672,565	1,111,115	101,091	460,359
1982	1,587,537	1,039,016	91,452	457,069
1983	1,542,278	1,007,165	91,395	443,718
1984	1,486,282	948,171	91,009	447,102
1985	1,421,686	867,070	111,086	443,530
1986	**1,339,453**	**798,631**	**103,504**	**437,318**

Source: Beginning in 1971, data for car companies and shippers from Transportation Division, AAR; earlier data from American Railway Car Institute and Offical Railway Equipment Register.



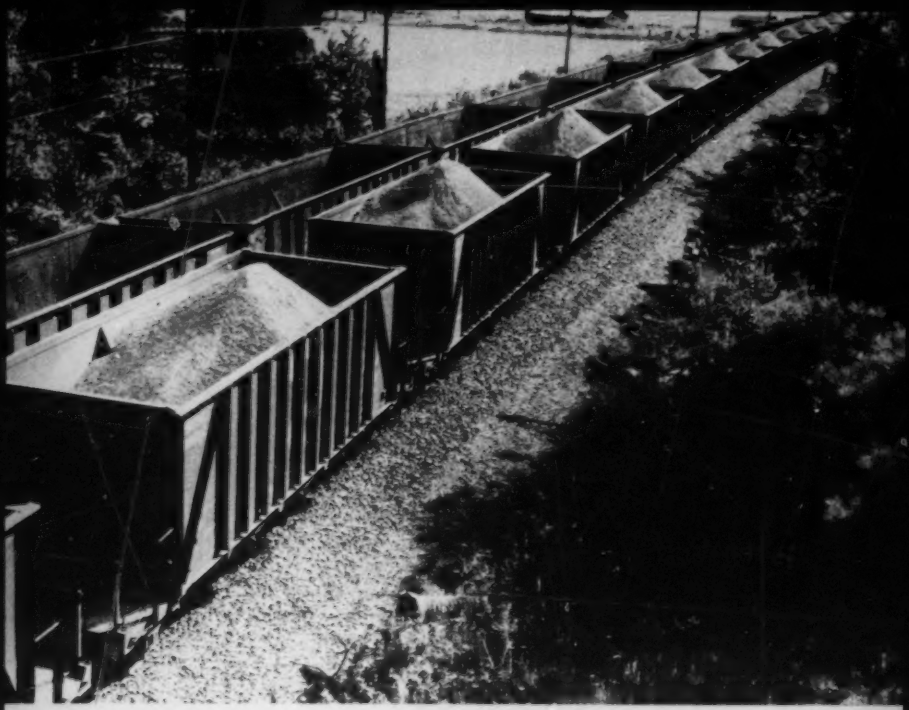
TYPES OF FREIGHT EQUIPMENT

Total freight cars in service at the end of 1986 are shown below, separated by types as classified by the AAR's Transportation Division.

Compared with 1985, the number of all car types except refrigerator cars declined.

Type	Total	Class I Railroads	Other Railroads	Car Companies and Shippers
Box cars:				
Plain box	125,962	81,115	30,748	14,099
Equip. box	111,006	98,769	11,736	501
Covered Hoppers .	291,489	149,407	12,895	129,187
Flat cars	135,653	85,023	5,140	45,490
Refrigerator cars .	56,756	44,223	3,441	9,092
Gondolas	151,859	103,298	15,385	33,176
Hoppers	267,153	219,877	20,919	26,357
Tank	177,923	1,565	37	176,321
Others	21,652	15,354	3,203	3,095
Total 1,339,453		**798,631**	**103,504**	**437,318**

Source: Transporation Division, AAR.



AVERAGE FREIGHT CAR CAPACITY

Annual gains in average carrying capacity of railroad freight cars, an unbroken trend since record-keeping began, have been especially pronounced in recent years. In 1986 the average advanced to 85.8.

The aggregate capacity of the fleet was about 120 million tons at the end of the year, approximately 11.5 percent higher than it was 30 years ago.

	Tons		Tons
1929	46.3	1976	73.8
1939	49.7	1977	75.5
1944	50.8	1978	76.9
1947	51.5	1979	77.7
1955	53.7	1980	78.5
1970	67.1	1981	80.5
1971	68.4	1982	81.6
1972	69.6	1983	82.4
1973	70.5	1984	82.4
1974	71.6	1985	84.3
1975	72.9	**1986**	**85.8**

COST OF NEW FREIGHT CARS[1]

Year	Box Cars		Flat Cars		Hopper Cars					All Freight-carrying Cars
	General Service	Special Service	General Service	Special Service	Gondola Cars	Open Top	Covered	Refrig-erator Cars	Tank Cars	
1966	$12,167	$18,129	$14,725	$17,593	$12,853	$11,794	$15,487	$23,358	$34,041	$15,320
1967	11,955	17,877	16,524	19,262	13,028	10,424	15,074	25,313	27,423	14,591
1968	10,061	19,398	13,956	15,534	11,746	11,447	14,728	28,307	—	13,471
1969	11,733	18,007	13,759	18,107	13,754	12,558	15,201	29,957	—	15,607
1970	13,355	20,912	15,534	22,275	14,203	12,726	16,221	31,592	—	17,163
1972	19,258	23,533	—	17,666	15,111	15,580	18,079	32,427	—	18,051
1973	18,000	22,000	—	18,000	15,600	16,000	18,000	30,000	20,000	18,800
1974	22,900	34,000	28,000	20,000	21,500	18,800	20,000	—	21,700	21,800
1975	31,168	27,005	32,815	40,201	27,076	25,834	26,480	42,553	22,300	27,777
1976	30,923	35,644	27,040	45,695	26,856	25,495	27,497	—	—	27,983
1977	36,791	46,643	31,515	34,852	26,906	28,026	28,545	51,179	—	31,053
1978	34,998	44,931	36,747	55,153	29,851	27,071	32,950	—	—	32,918
1979	41,755	50,160	—	52,346	31,760	34,585	36,858	57,970	—	39,487
1980	45,586	53,209	46,440	49,935	45,895	40,348	43,618	70,424	53,133	44,547
1981	—	60,568	32,536	85,350	38,378	40,438	41,860	—	50,943	41,747
1982	—	69,287	—	147,000	—	33,160	60,360	72,080	56,300	37,230
1983	—	44,660	33,227	113,500	37,655	39,687	37,334	—	—	38,191
1984	—	—	—	136,375	35,218	35,910	29,560	—	—	33,278
1985	—	—	—	—	37,091	38,340	33,196	—	—	36,645[2]
1986	**—**	**—**	**—**	**60,000**	**46,800**	**33,945**	**—**	**—**	**—**	**35,626**

[1] The variations in the average cost of freight cars from year to year relate, in part, to changes in the mix of car sub-types within each category and to differences in the capacities of cars installed.

[2] Includes cost of two special hopper-tank combos at $76,500 each.

PASSENGER TRAIN CARS

There were 2,307 passenger-train cars in service at year-end 1986 including equipment owned by Amtrak. The sharp decline in ownership in 1983 is attributable primarily to the exclusion of the Long Island Railroad, which is no longer required to report to the Interstate Commerce Commission. The Long Island owned 1,018 passenger cars in 1982.

Dec. 31	United States	Pullman Company Amtrak*	Eastern District**	Western District**
1929 . . .	61,728	9,469	33,962	18,297
1939 . . .	45,479	7,052	25,631	12,796
1944 . . .	46,558	8,751	25,801	12,006
1947 . . .	44,841	6,071	26,337	12,433
1951 . . .	42,406	6,276	24,569	11,561
1955 . . .	36,871	4,776	21,564	10,531
1972 . . .	7,589	1,571	4,737	1,281
1973 . . .	7,189	1,777	4,275	1,137
1974 . . .	6,848	1,848	3,969	1,031
1975 . . .	6,471	1,913	3,544	1,014
1976 . . .	5,478	2,062	2,467	949
1977 . . .	5,512	2,154	2,448	910
1978 . . .	4,493	2,084	1,526	883
1979 . . .	4,241	2,026	1,462	753
1980 . . .	4,347	2,128	1,446	773
1981 . . .	3,945	1,830	1,420	695
1982 . . .	3,736	1,929	1,249	558
1983 . . .	2,610	1,880	227	503
1984 . . .	2,580	1,844	233	503
1985 . . .	2,502	1,818	218	466
1986 . . .	**2,307**	**1,793**	**48**	**466**

* Pullman Company cars from 1929 through 1955; Amtrak cars beginning in 1972.

** Includes Auto-Train for years 1972-77.

NEW AND REBUILT EQUIPMENT

Additions to the locomotive and freight car fleets were considerably below installations in previous years.

In addition to equipment purchased, built or leased by Class I railroads, the table below includes freight cars acquired by other railroads and by "private" owners. The private category includes shippers and car companies, some of the latter being railroad-owned.

Passenger-train cars and locomotives installed by Amtrak are included beginning in 1972—Auto-Train for years 1972-1977.

	Locomotive Units		Freight cars		Passenger-Train-Cars	
	New	Rebuilt	New*	Rebuilt*	New	Rebuilt
1953 ...	2,141	26	80,887	1,392	329	21
1957 ...	1,015	10	99,502	2,589	232	3
1961 ...	288	2	31,501	2,521	214	6
1962 ...	764	23	36,454	3,268	304	54
1963 ...	834	2	44,804	3,295	156	230
1964 ...	1,071	—	69,051	13,936	399	117
1965 ...	1,387	16	77,707	11,825	666	81
1966 ...	1,419	6	89,899	15,954	113	56
1967 ...	1,109	—	82,828	17,086	146	22
1968 ...	978	4	55,964	12,604	65	38
1969 ...	1,158	83	68,717	6,944	240	25
1970 ...	1,029	64	65,881	9,255	302	16
1971 ...	1,179	97	55,046	5,587	281	—
1972 ...	1,377	200	47,322	2,660	334	13
1973 ...	1,210	174	58,634	536	83	9
1974 ...	1,131	264	66,798	611	85	15
1975 ...	802	38	72,039	1,953	265	7
1976 ...	488	79	52,323	1,307	349	9
1977 ...	820	172	51,639	2,178	153	5
1978 ...	1,224	154	69,124	1,334	43	1
1979 ...	1,719	259	95,650	882	99	17
1980 ...	1,483	183	85,465	1,163	152	8
1981 ...	485	201	44,825	1,100	119	—
1982 ...	332	169	17,236	1,500	102	—
1983 ...	197	146	5,772	100	—	—
1984 ...	428	252	12,396	—	—	—
1985 ...	525	144	12,080	—	—	—
1986 ...	**280**	**128**	**11,508**	**—**	**—**	**1**

* All railroads and "private" car owners (see text).

Source: Freight car data from American Railway Car Institute and Transportation Division, AAR.

NEW RAIL LAID

In 1986, Class I railroads laid 456,066 tons of new rail in replacement and in additional track.

The aggregate tonnage laid in the past five years totaled 2.6 million.

(Tons of rail)

1929	2,281,316	1976	802,441
1939	991,896	1977	952,144
1944	1,772,810	1978	838,714
1947	1,639,746	1979	1,064,827
1951	1,281,850	1980	881,783
1955	963,350	1981	800,340
1971	648,625	1982	502,718
1972	648,625	1983	538,597
1973	698,506	1984	647,782
1974	708,362	1985	496,039
1975	537,537	**1986**	**456,066**

CROSSTIES LAID

A total of 18.1 million crossties were installed by Class I railroads in previously constructed tracks and in additional tracks, new lines and extensions in 1986. Nearly 105 million ties have been installed during the past five years.

About one-half of one percent of the total installed in 1986 were other than wooden ties.

The heavy annual tie installations prior to 1950 reflect, in part, the use of a large number of untreated ties which have a much shorter life span than the treated ties installed in recent years.

(Thousands of ties)

1929	81,964	1976	27,002
1939	46,410	1977	27,270
1944	51,259	1978	27,228
1947	40,206	1979	26,667
1951	32,457	1980	25,984
1955	27,173	1981	26,529
1971	22,777	1982	20,726
1972	22,251	1983	22,132
1973	19,893	1984	23,581
1974	21,175	1985	20,736
1975	20,548	**1986**	**18,104**

WEIGHT OF RAIL IN PLACE

In 1986, 82 percent of the rail on Class I railroads weighed more than 100 pounds per yard—45 percent weighed over 130 pounds per yard.

Weight of Rail (Pounds per yard)	Miles	Percent of total	Cumulative Percent
150-159	585	0.37%	0.37%
140-149	3,523	2.21	2.58
130-139	67,570	42.44	45.03
120-129	5,482	3.44	48.47
110-119	41,271	25.92	74.39
100-109	11,396	7.16	81.55
90-99	13,895	8.73	90.28
0-89	15,473	9.72	100.00
Total	**159,195**	**100.00**	—

RAILROAD NET INVESTMENT

In 1978, the ICC redefined net investment to include average net investment in road and equipment, less interest during construction and debits in other elements of investment, plus working capital computed from the formula used in determining rail freight service costs (Rail Form A).

Under the method shown below for the years prior to 1978, the total investment figures included investment after depreciation and amortization, plus cash and materials and supplies.

Under the Depreciation Accounting System initiated in 1983 by the railroads, track structure investment was restated; since 1983, net investment has increased as shown below.

(Amounts shown in thousands)

Dec.31	United States	Eastern District	Western District
1929	$23,868,075	$13,823,938	$10,044,136
1939	23,016,835	13,430,235	9,586,600
1944	23,396,922	13,406,964	9,989,958
1947	22,891,188	13,184,956	9,706,232
1951	25,518,512	14,600,529	10,917,983
1955	26,851,343	15,109,208	11,742,136
1972	27,735,595	15,300,804	12,434,790
1973	27,979,177	15,307,439	12,671,738
1974	28,854,835	15,581,761	13,273,074
1975	29,739,673	15,926,767	13,812,906
1976	26,925,751	12,756,993	14,168,758
1977	28,222,310	13,468,959	14,753,351
1978	28,793,794	13,418,926	15,374,868
1979	30,271,087	14,078,454	16,192,633
1980	33,216,841	15,940,214	17,276,627
1981	34,997,185	16,985,557	18,011,628
1982	35,260,692	17,040,147	18,220,545
1983	43,483,411	21,252,411	22,231,000
1984	45,435,400	22,029,652	23,405,748
1985	46,236,932	22,193,525	24,043,407
1986	**45,343,671**	**22,697,015**	**22,646,656**

CAPITAL EXPENDITURES

Capital expenditures by Class I railroads in 1986 totaled $3.6 billion, 18.6 percent lower than 1985. Data for the past four years are not comparable with prior years due to the change in the accounting system.

(Amounts shown in thousands)

	Total	Equipment	Roadway and Structures
1953	$1,259,797	$857,893	$401,904
1954	820,246	498,726	321,520
1955	909,521	568,202	341,319
1956	1,227,857	821,357	406,500
1957	1,394,705	1,007,749	386,956
1958	783,036	479,680	258,356
1959	818,002	567,546	250,456
1960	919,154	633,490	285,664
1961	646,425	427,130	219,295
1962	832,938	593,369	239,569
1963	1,043,788	784,874	258,914
1964	1,417,263	1,139,683	277,580
1965	1,630,687	1,303,602	327,084
1966	1,952,805	1,554,223	393,581
1967	1,522,478	1,148,381	374,097
1968	1,186,979	818,720	368,259
1969	1,509,394	1,088,712	420,681
1970	1,351,439	993,095	358,344
1971	1,177,627	863,517	314,110
1972	1,215,581	847,623	367,958
1973	1,342,138	892,690	449,448
1974	1,565,412	1,038,142	527,270
1975	1,789,725	1,303,308	486,417
1976	1,724,708	1,174,783	549,925
1977	2,290,439	1,539,549	750,890
1978	2,738,238	1,882,961	855,277
1979	3,324,174	2,284,855	1,039,319
1980	3,621,256	2,346,008	1,275,248
1981	2,854,569	1,520,659	1,333,910
1982	1,975,147	713,021	1,262,126
1983	2,760,909	455,279	2,305,630
1984	3,744,395	806,159	2,938,236
1985	4,422,903	964,888	3,458,015
1986	**3,600,682**	**692,663**	**2,908,019**

EMPLOYMENT, PAYROLL AND EARNINGS

The average number of employees of Class I railroads declined by 8.6 percent from 1985 to 1986. (All comparisons exclude Amtrak/ Auto-Train.) Average earnings per year increased 2.6 percent for the same period, while average earnings per hour were up 3.1 percent.

In the last decade, Class I employment has fallen 42.9 percent, while average earnings per year climbed by 109 percent. The result was an annual total compensation cost that was 20 percent higher in 1986 than 1976.

	Number of Employees		Compensation	Earnings Per Employee	
	1	2	(thousands)	Per Year	Per Hour
1929		1,660,850	$2,896,566	$1,743	$ .67
1939		987,943	1,863,503	1,886	.75
1944		1,413,672	3,853,345	2,726	.96
1947		1,351,961	4,350,229	3,218	1.20
1951		1,276,000	5,336,198	4,182	1.79
1955		1,058,216	4,993,662	4,719	1.99
1967		610,191	4,933,663	8,085	3.36
1968		590,536	5,110,636	8,654	3.54
1969		578,277	5,362,754	9,274	3.79
1970*		566,282	5,711,280	10,086	4.14
1971*	544,497	544,333	5,999,968	11,023	4.60
1972	527,235	526,061	6,424,920	12,213	5.03
1973	524,422	520,153	7,088,383	13,627	5.54
1974	533,277	525,177	7,475,834	14,235	5.84
1975	494,348	487,789	7,474,750	15,324	6.39
1976	496,491	482,882	8,278,413	17,144	7.09
1977	501,389	482,731	8,939,411	18,518	7.66
1978*	491,254	471,519	9,700,565	20,573	8.43
1979	502,802	482,789	10,903,887	22,585	9.22
1980	480,410	458,994	11,318,453	24,659	10.21
1981	456,855	436,397	11,650,802	26,698	11.14
1982	397,007	378,906	11,021,403	29,087	12.26
1983	341,507	322,030	10,345,294	32,125	13.29
1984	343,654	323,030	11,003,829	34,064	13.84
1985	323,946	301,879	10,563,033	34,991	14.30
1986	**295,699**	**275,817**	**9,900,107**	**35,894**	**14.75**

*Adjusted to include retroactive wage increases.

Note: Column 1 figures show Class I employment including Amtrak from 1971 to the present and Auto-Train from 1972-77. Column 2 employment and the compensation and earnings data presented exclude Amtrak and Auto-Train for those years.

EMPLOYMENT AND ANNUAL WAGES BY CLASS—1986

Wages of train and engine service employees accounted for 36 cents of the average wage dollar paid in 1986 by Class I railroads, excluding Amtrak. Wages of maintenance workers took 34 cents, professional and administrative personnel got 17 cents, off-train transportation employees received 6 cents, while salaries of executives, officials and staff assistants amounted to 7 cents of the payroll dollar.

Employee group	Average Number of Employees	Total Payroll (thousands)	Average Annual Earnings
Executive, officials and staff assistants	13,230	$ 707,643	$53,488
Professional and administrative	50,769	1,668,890	32,872
Maintenance of way and structures	57,097	1,760,251	30,829
Maintenance of equipment and stores	51,441	1,595,585	31,018
Transportation, other than train, engine	18,082	615,747	34,053
Transportation, train and engine	85,198	3,551,991	41,691
Total	**275,817**	**9,900,107**	**35,894**

RAILROAD EMPLOYMENT BY STATES—MARCH 1987

The employment counts shown below are for Class I railroads (including Amtrak), based on the location of the employee's pay delivery point. They relate to the pay period including March 12, 1987. The total does not agree with data shown elsewhere in this publication, which are based on 1986 average annual statistics.

Alabama	5,124	Montana	3,641
Alaska	—	Nebraska	11,508
Arizona	2,742	Nevada	885
Arkansas	4,691	New Hampshire	40
California	19,720	New Jersey	2,525
Colorado	3,614	New Mexico	2,161
Connecticut	962	New York	8,043
Delaware	1,231	North Carolina	4,386
Dist. of Col.	2,561	North Dakota	2,043
Florida	8,281	Ohio	13,460
Georgia	10,322	Oklahoma	2,222
Hawaii	2	Oregon	3,980
Idaho	1,955	Pennsylvania	17,663
Illinois	22,241	Rhode Island	304
Indiana	7,986	South Carolina	3,089
Iowa	4,911	South Dakota	385
Kansas	9,630	Tennessee	6,860
Kentucky	7,948	Texas	19,691
Louisiana	4,355	Utah	2,668
Maine	6	Vermont	7
Maryland	5,171	Virginia	10,078
Massachusetts	3,352	Washington	5,526
Michigan	8,337	West Virginia	5,187
Minnesota	7,425	Wisconsin	4,029
Mississippi	1,839	Wyoming	2,837
Missouri	9,993	**Total**	**287,617**

Source: Survey by Association of American Railroads.

RAILROAD COST RECOVERY INDEX

The Railroad Cost Recovery Index is a price index, i.e., it measures changes in the price level of inputs to railroad operations. The "inputs" included as components of the Railroad Cost Recovery Index are labor (wages and supplements), fuel, materials and supplies, and other costs (equipment rents, depreciation, purchased services, taxes other than income and payroll, all other operating expenses, and interest).

In 1986, labor and "other costs" registered increases over the previous year of 4.8 percent and 2.9 percent, respectively, while fuel prices dropped 35.5 percent and other materials and supplies prices dropped 2.1 percent. Overall, input prices, as reflected in the Railroad Cost Recovery Index, increased 0.8 percent.

(1977 = 100)

Year	Labor (Wages & Supplements)	Fuel	Materials & Supplies	Labor, Fuel & M/S Combined	Other Costs	Railroad Cost Recovery Index
1967 ...	39.7	25.7	46.0	39.2	n.a.	n.a.
1968 ...	42.2	26.6	47.2	41.4	n.a.	n.a.
1969 ...	45.2	27.4	48.6	44.0	n.a.	n.a.
1970 ...	49.9	28.4	50.4	48.2	n.a.	n.a.
1972 ...	61.0	30.1	54.7	57.0	n.a.	n.a.
1973 ...	69.1	35.0	56.6	64.0	n.a.	n.a.
1974 ...	75.2	69.8	65.4	73.1	n.a.	n.a.
1975 ...	82.3	82.6	87.6	83.2	n.a.	n.a.
1976 ...	92.2	89.9	93.6	92.2	n.a.	n.a.
1977 ...	100.0	100.0	100.0	100.0	100.0	100.0
1978 ...	109.8	104.4	106.2	108.6	108.8	108.5
1979 ...	120.8	155.5	116.4	123.5	119.0	122.1
1980 ...	132.5	233.1	134.2	143.3	132.6	140.1
1981 ...	149.4	280.2	145.2	162.2	147.2	157.7
1982 ...	167.0	267.1	146.3	173.6	155.7	168.3
1983 ...	184.2	232.2	140.0	181.1	162.4	175.5
1984 ...	193.9	229.4	139.6	187.6	167.9	181.7
1985 ...	196.7	214.5	144.6	189.2	170.2	183.9
1986 ...	**206.1**	**138.4**	**141.6**	**189.1**	**175.2**	**185.3**

n.a.—Not Available.

DIESEL FUEL CONSUMPTION AND COST

Class I railroads consumed 3 billion gallons of fuel in 1986, down 3.4 percent from the previous year.

In terms of fuel efficiency, the railroads in 1986 generated 290 revenue ton-miles for each gallon of fuel consumed, a 2.8 percent increase over 1985 (see page 40).

The average cost per gallon was 48.91 cents in 1986, down 37.1 percent from 1985.

(Gallons consumed shown in thousands)

	Fuel Consumed			Average Cost Per Gallon (cents)
	United States	Eastern District	Western District	
1953 ..	2,980,007	1,515,787	1,464,221	9.69
1957 ..	3,535,849	1,810,100	1,725,749	10.25
1961 ..	3,382,016	1,696,280	1,685,734	9.27
1964 ..	3,630,332	1,802,949	1,827,383	8.84
1965 ..	3,742,370	1,873,537	1,868,833	9.10
1969 ..	3,924,055	1,889,535	2,034,519	10.17
1970 ..	3,807,663	1,804,941	2,002,724	10.73
1971 ..	3,822,907	1,898,309	1,924,599	10.88
1972 ..	3,996,985	1,886,145	2,110,840	10.97
1973 ..	4,160,730	1,919,569	2,241,161	13.49
1974 ..	4,175,375	1,963,322	2,212,053	26.59
1975 ..	3,736,484	1,718,119	2,018,365	30.00
1976 ..	3,895,542	1,761,952	2,133,591	32.38
1977 ..	3,985,069	1,765,374	2,219,696	36.38
1978 ..	3,968,007	1,699,049	2,268,958	37.90
1979 ..	4,072,187	1,746,214	2,325,974	57.58
1980 ..	3,943,574	1,593,292	2,350,281	83.00
1981 ..	3,756,439	1,506,165	2,250,273	100.22
1982 ..	3,178,116	1,291,484	1,886,631	95.43
1983 ..	3,137,295	1,209,892	1,927,403	82.73
1984 ..	3,388,622	1,305,994	2,082,628	82.59
1985 ..	3,144,565	1,221,591	1,922,975	77.75
1986 ..	**3,039,069**	**1,155,010**	**1,884,059**	**48.91**

STATISTICS OF NATIONAL RAILROAD PASSENGER CORPORATION (AMTRAK)

Item	1986	1985
PLANT AND EQUIPMENT:		
Net investment*	$3,169,551,000	$3,154,779,000
Passenger-train cars	1,793	1,818
Locomotive units	369	382
Average miles of road operated	23,499	23,394
Capital expenditures	$174,471,000	$292,847,000
TRAFFIC:		
Passenger revenue*	$531,124,000	$518,770,000
Revenue passengers carried	20,157,225	20,126,200
Revenue passenger-miles (000)	5,011,343	4,784,695
Averages:		
Revenue per passenger	$26.35	$25.78
Revenue per passenger-mile	10.598¢	10.482¢
Trip per passenger (miles)	248.61	237.73
OPERATIONS:		
Passenger-train miles	28,604,038	30,038,237
Passenger-train car-miles	249,665,000	250,642,000
FINANCIAL RESULTS*		
Operating revenues	$ 755,374,000	$ 724,609,000
Operating expenses	1,407,001,000	1,435,034,000
Net railway operating income	(651,627,000)	(858,417,000)
Ordinary income**	(698,219,000)	(737,179,000)
Net working capital	151,039,000	82,918,000

* Not included with similar data for Class I railroads.

** Ordinary income in both years reflects the inclusion of Federal grants in other income.

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